



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

HB3514

by Rep. Robert F. Martwick

SYNOPSIS AS INTRODUCED:

New Act

Creates the Vacancy Fraud Investigative Unit Act. Grants the county board of a county the power to establish, by ordinance or resolution, a vacancy fraud investigative unit to investigate whether the owner of any vacant property is actively attempting to lease, sell, or alter the vacant property. Provides that the vacancy fraud investigative unit (i) may not investigate a vacant property unless that property has received vacancy relief for 2 consecutive tax years and the first of those tax years is no more than 5 years prior to the current tax year and (ii) must notify the owner of the vacant property that an investigation has been initiated and must give the owner an opportunity to be heard and to present relevant evidence. Contains provisions concerning notice requirements; certain powers the vacancy fraud investigative unit shall have during the course of an investigation; determinations as to whether the owner of the vacant property is actively attempting to lease, sell, or alter the vacant property; the time period by which the vacancy fraud investigative unit must conclude all investigations; the authority of the chief county assessment officer upon receiving an investigative report from the vacancy fraud investigative unit that an owner of vacant property is not actively attempting to sell, lease, or alter the vacant property; and other matters. Effective immediately.

LRB099 09599 HLH 29808 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning local government.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the
5 Vacancy Fraud Investigative Unit Act.

6 Section 5. Public policy. In recognition of the severe
7 economic circumstances of taxpayers and taxing districts
8 across the State of Illinois, the General Assembly finds it
9 necessary to curb the use of property tax relief enacted by
10 several counties which lowers a property's assessment due to it
11 being vacant. Several owners of vacant properties do not
12 actively seek tenants, yet continue to receive property tax
13 relief for the term of the property's vacancy. This practice
14 has led to neighborhoods blighted with vacant commercial or
15 industrial properties. The General Assembly finds that this
16 practice is against public policy, burdens homeowners and
17 actively operating businesses, and lessens taxing districts'
18 tax base.

19 Section 10. Definitions. As used in this Act:

20 "Vacancy relief" means a decrease in assessed value, a
21 decrease in market value, or an abatement of taxes by a chief
22 county assessment officer, a board of review, or a taxing

1 district under any county or taxing district ordinance,
2 resolution, or policy granting such a decrease to property that
3 is vacant.

4 "Vacant property" means property that is receiving vacancy
5 relief. A property that receives vacancy relief on only a
6 portion of the property is still considered "vacant property."

7 Section 15. Vacancy fraud investigative unit; authority;
8 factors to consider.

9 (a) The county board shall have the power to establish, by
10 ordinance or resolution, a vacancy fraud investigative unit.
11 The vacancy fraud investigative unit shall have the power to
12 investigate whether the owner of any vacant property is
13 actively attempting to lease, sell, or alter the vacant
14 property.

15 (b) The vacancy fraud investigative unit may not
16 investigate a vacant property unless that property has received
17 vacancy relief for 2 consecutive tax years and the first of
18 those tax years is no more than 5 years prior to the current
19 tax year.

20 (c) The vacancy fraud investigative unit must notify the
21 owner of the vacant property that an investigation has been
22 initiated and must give the owner an opportunity to be heard
23 and to present relevant evidence. Notice shall be provided by
24 first class mail, postage prepaid, and shall be mailed to the
25 same address that the vacant property's property tax bill is

1 mailed.

2 (d) During the course of an investigation, the vacancy
3 fraud investigative unit shall have the following powers:

4 (1) To interview any relevant person that the vacancy
5 fraud investigative unit determines would be helpful in its
6 investigation. This paragraph shall not be construed to
7 grant the vacancy fraud investigative unit the power to
8 subpoena or depose any real person.

9 (2) To subpoena any relevant documents from public and
10 private sources that the vacancy fraud investigative unit
11 determines would be helpful in its investigation.

12 (3) To inspect the vacant property if the vacancy fraud
13 investigative unit determines an inspection would be
14 helpful in its investigation. The vacancy fraud
15 investigative unit may not inspect the vacant property
16 unless a notice is sent to the same address where the
17 vacant property's property tax bill is mailed. The notice
18 must be sent at least 10 business days prior to the
19 inspection, but no more than 50 business days prior to the
20 inspection. The notice shall include the date and time of
21 the inspection. The notice shall direct the owner of the
22 vacant property, or his or her designee, to appear at the
23 vacant property at the designated date and time, or to
24 contact the vacancy fraud investigative unit to reschedule
25 the inspection.

26 (e) In determining whether the owner of vacant property is

1 actively attempting to sell, lease, or alter the vacant
2 property, the vacancy fraud investigative unit may use the
3 following factors:

4 (1) whether there is a sign on the vacant property
5 advertising that it is for sale or for lease;

6 (2) whether the vacant property is advertised for sale
7 or for lease in a newspaper of general circulation where
8 the vacant property is located;

9 (3) whether the vacant property is advertised for sale
10 or for lease on the internet, and whether potential buyers
11 or tenants are reasonably able to access the internet
12 listing;

13 (4) whether the owner of the vacant property has
14 contracted for the services of an Illinois licensed real
15 estate professional for the purpose of selling or leasing
16 the vacant property;

17 (5) whether any advertised sale price or advertised
18 rental price is at a reasonable market level;

19 (6) whether a contract for sale or lease is pending;

20 (7) whether the vacant property is subsequently sold or
21 leased, and the amount of time that passed from the
22 original vacancy to the sale or lease date;

23 (8) whether the owner has applied for and received
24 demolition or construction permits for the vacant
25 property; and

26 (9) any other factors the vacancy fraud investigative

1 unit deems necessary to determine if the owner of any
2 vacant property is actively attempting to lease, sell, or
3 alter the vacant property.

4 For purposes of paragraphs (1), (2), and (3) of this
5 subsection (e), any signs, newspaper advertisements, or
6 internet advertisements shall contain a phone number. If the
7 phone number does not connect to a person who can facilitate
8 the purchase or lease of the vacant property, the vacancy fraud
9 investigative unit may determine that the sign, newspaper
10 advertisement, or internet advertisement does not exist.

11 (f) After concluding an investigation, the vacancy fraud
12 investigative unit shall make a determination as to whether the
13 owner of the vacant property is actively attempting to lease,
14 sell, or alter the vacant property. Such a determination shall
15 take into consideration all the evidence collected by the
16 vacancy fraud investigative unit. If the evidence shows, by a
17 preponderance of the evidence, that the owner of the vacant
18 property is not actively attempting to sell, lease, or alter
19 the vacant property, then the vacancy fraud investigative unit
20 shall notify the chief county assessment officer of its
21 determination. The vacancy fraud investigative unit shall
22 notify the owner of the vacant property of its determination in
23 either case.

24 (g) The vacancy fraud investigative unit must conclude all
25 investigations under this Act within one year from the date the
26 original notice required under subsection (c) of this Section

1 was mailed.

2 Section 20. Chief county assessment officer's authority.

3 (a) Upon receiving an investigative report from the vacancy
4 fraud investigative unit with a determination that an owner of
5 vacant property is not actively attempting to sell, lease, or
6 alter the vacant property, the chief county assessment officer
7 may do any of the following:

8 (1) prohibit the vacant property from receiving any
9 vacancy relief until it is subsequently sold or leased;

10 (2) require the payment of back taxes for any vacancy
11 relief the vacant property received while the owner of the
12 vacant property was not actively attempting to sell, lease,
13 or alter the vacant property;

14 (3) require the payment of interest on any back taxes
15 sought under paragraph (2); any interest imposed shall not
16 exceed 10% per annum; and

17 (4) in the case of a property owner who has been
18 penalized under this Section 2 times or more within the
19 past 5 years, impose a penalty not to exceed 25% of the
20 amount of back taxes sought under paragraph (2).

21 (b) The unpaid taxes shall be paid to the appropriate
22 taxing districts. Interest and penalties shall be paid to the
23 chief county assessment officer's office to cover the costs
24 associated with administering the provisions of this Act and
25 with educating the public on the provisions of this Act.

1 Section 99. Effective date. This Act takes effect upon
2 becoming law.